

Washington DC Trip / Ted Stevens Anchorage International Airport
2/24/15

GOA: Thanks very much for being here today. We are on our way to Fairbanks from Washington, D.C. We've been there for the last four days at the National Governors' Association Conference, as well as the Western Governors' Association and we joined the Governors' OCS on the off shores issues as well. So it's been a very busy four days in DC. I only felt it appropriate to stop and say a few words on the way through.

You know we have an interesting time, obviously with our oil issues. The Governor of New Mexico yesterday in a meeting I was in with the governors with President Obama talked about some of the permitting issues they are having in New Mexico. I had a chance to visit with, spend some time with the Governor of North Dakota, Governor Dalrymple talking about their timing of issues on oil development. Every state that's oil related is impacted, no more, Alaska is more so than anybody else. So it's a good opportunity to spend some pretty significant time with other governors who have similar situations.

It was also an opportunity, certainly to meet with the Department of the Army at the Pentagon yesterday morning. With the chief of staff, General Odierno – hope I'm saying that right. A great opportunity to meet with him to talk about military issues in Alaska. The general had been in Fairbanks a few weeks ago, so we had an opportunity to visit and talk specifically about Fairbanks issues, military issues, the draw down issues and the impact on the military, not just the impact on Alaska but on our military as well. I'm on my way to Fairbanks for the listening session tonight in Fairbanks. I would have been here yesterday for the listening session but for the travel schedule didn't allow me to get back here in time for that. I understand that that was well attended. Alaska was well represented. Bill Popp I understand did an excellent job, and Julia Saupe was also involved in that.

I would be happy to answer any questions about specific meetings that we had. Again, we meet with, we had a TAG reception with all the TAGS across the nation were there. Ours was there as well, Laurie Hummel, did a very good job. Spent some time with the Governor's sportsman's caucus, I didn't know there was a Governor's sportsman's caucus, but that was good to listen to those that come up here and hunt and fish. I claim they all had fishing stories, I had catching stories. So it was a good exchange we had with them.

We had a meeting with the Secretary of the Interior at 7 o'clock AM meeting at the EPA headquarters. It was the Secretary of the Interior, the EPA administrator, Gina McCarthy, and also with the Secretary of Agriculture. So that was the Western Governor's Association. There was about 10 of us in that group, a good opportunity. Probably my third meeting, it was my third meeting with Secretary Jewell. Of course my issue with Secretary Jewell had to do with oil development in Alaska. It had to do with the issues associates with ANWR limitations, NPRA,

permitting processes, etc. So that was a good opportunity to meet with her as well. A brief meeting with Secretary of Transportation, Anthony Fox talking about some of the transportation issues in Alaska and the federal government's role on that and also talking about the issue in Prince Rupert on the ferry terminal contract.

We also met with the Department of Fisheries on the National Marine Fisheries involving some Alaskan issues that they are involved in that they are looking at. So that was helpful. You know, I think the awareness of some of the offshore on some of the East Coast states, we have the West Coast states through the Western Governor's Association because our federal government is involved in 62% percent. Nevada I believe was 85%. Other states in the west have a very significant federal government's involvement in their land management. But on the East Coast they sort of haven't had a lot of connection. But now we do. Because of off shore development on the East Coast, their revenue sharing opportunity at zero percent, the same as ours. So they are suddenly very concerned about that and I would sort of welcome that concern in some respects of why we've been frustrated; it's been a lonesome frustration. I spent some time with Governor Bobby Jindal, talking about their offshore revenue sharing relationship with the federal government. So it was a good opportunity to meet with these folks. That's why I went again and joined on behalf of Alaska, the OCS organization, paid our dues and we're excited about working together and having that. If we have governors on the western states which I believe are about 19. If we have some eastern seaboard governors sympathetic to our situation. We are starting to get some larger momentum which we have not had before. Sometimes we've been the sole participant in concerns with the offshore, lack of offshore revenue sharing of which we receive zero revenue. Now we have much more momentum there.

That's sort of the highlight, of course the two meetings we had with the President, one was a social event at the Whitehouse for the governors and significant others. Then yesterday we had an hour and a half with him just the governors. With the press for a while, then the press was dismissed. We had a fairly frank discussion about issues concerning the various states. I was, I think 5 governors had questions, I certainly had one. I was not going to sit back and not have the opportunity to discuss with the President some concerns we have in Alaska associated with access to developing our resources. I explained to him that I am the governor of a state with an oil pipeline that is three-quarters empty and it's surrounded by lots of oil opportunity at the north of our state. We just need access to make that happen. I talked about our fiscal situation. I talked about some of our challenges in rural Alaska. The cost of energy in rural Alaska, the challenges of living in rural Alaska. So it was a good opportunity to have that dialogue at the highest level in our country.

I also had one more opportunity to spend some time with Secretary Jewell. I don't think she had any misunderstanding of my position on this at this point. I think this was

the fifth time I had laid it out with her as far as way we stand on that particular issue.

So it was a pretty hectic four days. It was a very difficult time for me to be away from Alaska. When the legislature is in session, I feel my place is to be in Juneau, but boy, an opportunity to have those kinds of meetings, those kinds of connections, build those kinds of relationships, I just couldn't not do that. So it was hard for me not to be in Anchorage yesterday for the listening session. I felt my time yesterday morning at the Pentagon was well spent. But I'm on to Fairbanks tonight for the event up there on the listening session on the military.

Enough from me. I'm happy to answer questions. If anybody has any questions, I'd be happy to take questions. Steve?

Question: What was your response from the President to (inaudible) questions?

GOA: You know, I think we had, my first meeting with the President on December 5, he was surprised when I explained to him that Alaska has the highest cost of energy in the nation. With the most energy rich nation. He was surprised by that. He was very surprised by that. You know, I found him engaging. We had a discussion about the merits of the development of oil on the North Slope, more oil in the pipeline. After the close of the session, he came over and he and I had another personal conversation about that as well. So, I thought he was listening very good. I was very pleased with his level of attention. He wasn't looking for a way, sort of, to get out of question. But you know you're telling me things that certainly are very important to you and your state and we will see what we can do and will get back to you. So was encouraged by that, I was very encouraged.

Question: Have you cleared or asked the Alaska gas board to investigate potentially increasing state gasline to 2 billion cubic feet?

GOA: I heard something about a gasline. I'd be happy to talk about a gasline, you know that. I'm just not.

Question: Have you cleared any of that investigation or any of that spending with AGDC?

GOA: have I cleared it?

Question: Ya. Have you asked them to investigate that? Have you asked AGDC to investigate spending for increasing the state?

GOA: Yes we have looked at that. We don't see that as a problem. They've looked at different volumes over . . . this isn't anything new for AGDC. They have looked at different volumes along the way. One thing they can't do, they can't do an actual LNG liquefaction terminal. That would need to be somebody else to do that. But as far as the different volumes, the sizes, they have actually looked at that. I was actually a little pleasantly surprised at the amount of work they have done on that

previously as far as exploring the different options. The limitations of course before was until April, 2014 they couldn't, because of the limitation was there under the AGIA limitations. And that was dissolved as of April of last year. So with that limitation gone, then they were allowed, that was really the only thing holding them back.

Question: You're a rare nonpartisan governor. Did you find yourself received in a different way or was that a different kind of role than the other governors have?

GOA: Well, you know, we had a press conference yesterday after the time in the White House and I had to smile a bit at everyone talking about we trying to be more of a nonpartisan, we're trying work here to be more nonpartisan, I just wanted to step in and say we are nonpartisan. We've actually done that. And so, there is a lot of interest from others, they were intrigued by. . . they always talk about the republican response, the democratic response, and I'd have to raise my hand and say, hey wait a minute now, how about the nonpartisan response. And they were intrigued that there was one governor in the state of Alaska, one governor in the nation and one state in nation that has said, let's do this without the party affiliation. So they were pretty intrigued by that. Really, the real proof is in the pudding will be in what we are able to accomplish. Getting elected is certainly an incredible accomplishment, but what will we be able to do by working together and not worrying about one party getting credit for this or that other party. We don't have a party to get credit for this. It's not about getting credit; it's about getting something done. So, it was . . . some I thought were a tad bit envious I think perhaps, that we were in a situation that we are nonpartisan. That we are not party affiliated. I explained that I don't represent a particular party. I represent 720,000 Alaskans all equally. And they found that pretty unique. And when I'm saying they, the Governor's Association, we had a number of just governor only lunches and sessions what not and that came up a couple times.

Question: Did you feel like people we trying to bring you to their side in any way or did it open doors?

GOA: I think they saw this opportunity to for someone to step up and say kinda what they can't say. Everyone time someone in one party or the other says something it kinda takes on a party slant or you're representing the other party. I'm not in that situation. So I think there was a number of things brought to me, none of which I chose to engage in, but I think we're going see more of that perhaps because it is rather unique to not have that partisanship bias if you will, or appearance any way. It's not a bias, it's an appearance. And here we were in the most partisan spot in the country and there was a fair about of concern about the lack of progress in Congress because of the partisanship battling back and forth. So I think there found it pretty unique that Alaska said no to partisanship and said let's try without the party affiliation.

Question: In your meeting with the general, any kind of progress there that you were able to make in terms of cut backs in the military here?

GOA: You know I think for me it was establishing a relationship. Showing him the importance of this issue to Alaska. . . the fact we taking time to meet early in the morning at the Pentagon with him. I think it was an opportunity to hear from him. He and his wife, as I mentioned, had been in Fairbanks a few weeks ago and in Alaska. How impressed he was with what he saw, what he witnessed, you know the vastness of Alaska. The other thing I was appreciative of is he said that no decision had been made. Sometime there is speculation that a decision is made and now they are going through a process. I absolutely don't believe that. I believe that the decision has not been made and the process they are going through is absolutely a very genuine process and they are listening. They are doing this all over the country. It gave us an opportunity to talk about not only the economics side of the military in Alaska, economics to Alaska. But really the benefit to the military of being in Alaska. I mean at this very airport. I mean the air traffic into Alaska and air activity in Alaska because of our location largely. . . on the cargo. So for the same location, same issues we've had in the past defense wise, it's all about the location. So and also the training opportunities in Alaska. He was very aware of that. Again, you just don't . . . a map doesn't do it justice. You've gotta fly over and see all of these areas. He spent time, I believe, at Fort Greeley as well. So he has a better understanding. I was very pleased that we had that . . . it was a meaningful meeting. It wasn't just a shake hands and what not. It was a good amount of time with him.

Question: What is your reaction to the Maw investigation (inaudible)

GOA: You know, I've been on the road. I've seen what the media has written on it. I really haven't . . . once he withdrew his name, I really haven't had any contact with him. So I don't, because of the investigation, I really don't weigh in. I don't think it would be appropriate.

Question: What's the timeline on the two appointments that you do need to make on the Board of Fisheries now?

GOA: One of them is not due yet. I don't believe due until June 1, I think both of them come up on June 1. One is vacant now, the other one is not. So there is one vacancy right now. I know meetings went on I believe in Sitka. I think this week. We will work, when I get back to Juneau – get back to Juneau tonight, tomorrow morning and we will begin working on that process.

Question: Are you satisfied with the progress in the legislature on the budget?

GOA: I know we have a long ways to go. One thing we have now coalesce is the, all of the responses we got statewide from folks who had different ideas on how to work with the budget. The budget process is going to be ongoing. It's one of those things that you don't hit a light switch and all of a sudden you balance the budget or you have a sustainable budget. It's going to be a process. So we will probably not stop looking. There will a time when we will have to stop doing some things on the budget. We'll continue to look. We will coalesce the. . . in fact

we have coalesced, we are about to put up on the website, the responses that came in statewide, both internal and external state employees and non-state employees. We are very heartened by the kind of response we received. Now we are going to take that and incorporate that into the on-going budget process. We'll have more time between now and next year, obviously. There may be some things we can do yet this year budget wise. And if we can, then we will.

Question: Can I ask you again about the OCS revenue sharing, you feel like now you have strength in numbers?

GOA: We now have others at the table that are kind of surprised to find themselves in a situation we have been at for a long time. Some states receive as high as 37 ½% under certain circumstances we receive nothing. So it's just welcoming to have others in a similar situation. I know that our delegation have worked hard on that. Senator Murkowski had previously filed legislation to modify that. I'm not sure of the status of that legislation, but now there is a great number of states that will weigh in. I think it what was effective is just that others are similarly situated. It's not Alaska, again, on our own saying this just isn't fair that the resources are developed offshore, they come onshore and we receive no revenue. . . the federal government receives all the revenue from that. So with what's happening in the Arctic with the new efforts on offshore. I'm very pleased to have the new supporting states.

Question: You said earlier that you noticed there was some momentum in that area, is that pretty much what you were talking about, there are more states talking about this now and agreeing that they have got the same issues as Alaska?

GOA: There is. I do feel that there is momentum in that area both on the exploration side as well as the . . . if we're going to have the exploration, I certainly want to have the revenue sharing opportunity. We really haven't had the direct impact yet on that because we haven't had the oil coming ashore. But, boy, I'd sure like to have that in place when that happens. But there is a great impact, emphasis on that at this point. . . on the offshore talking about the East Coast offshore opportunities that become available. I'm really glad to have the new friends that we have on that issue.

Ok, nothing further. I thank you very much for being here today. I will stand ready for further questions as issues come up. As you know Grace Jang is the contact person. We will see you on the next trip through or in Juneau or back here in Anchorage. Thank you very much.